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IN THE
Supreme Court of the United States

OCTOBER TERM, 1944

No.

HORN SIGNAL MANUFACTURING CORPORATION,

Petitioner,

v.

DAVID KATZ,

Respondent.

BRIEF IN SUPPORT OF PETITION

Opinions of the Courts Below

The opinion of the District Court for the Southern District of New York appears at pages 155 to 185 of the record and is reported in 52 F. Supp. 453. The opinion of the Second Circuit Court of Appeals appears at pages 200 to 205 of the record and is reported in 145 F. (2d) 961.

Statement of the Case

The foregoing petition contains a statement of the material facts as well as the questions presented by the petition.

Specification of Errors

1. The Second Circuit Court of Appeals erred in holdings claims 7 and 11 of the Katz patent 1,992,214 to be valid and infringed.

2. The Court of Appeals of the Second Circuit erred in holding that a patent whose entire disclosure is directed to a large open coil without a core and in which the file wrapper contains a statement under oath by the patentee disclaiming any coil smaller than a certain size can be interpreted to cover a small, compact coil of a size disclaimed by the patentee, regardless of the language of the claims.

3. The Second Circuit Court of Appeals erred in finding that "plaintiff has achieved a real invention, unanticipated and commercially successful," disregarding prior art references in closely related arts disclosing every *claimed** element of the patent.

4. The Second Circuit Court of Appeals incorrectly applied the doctrine of *Diamond Rubber Co. v. Consolidated Tire Co.*, 220 U. S. 428, in holding that the method of operation disclosed in the Katz patent and incorporated into the claims during the prosecution of the application to avoid anticipation by prior art patents is not binding on the patentee.

5. The Second Circuit Court of Appeals erred in holding that the use of an old and known construction for an alleged new purpose which eliminated the necessity of one element of the co-operating *unclaimed* structure of a prior art patent is an invention under the patent statutes.

* Emphasis ours throughout, unless otherwise indicated.

Summary of Argument

The points of the argument follow the reasons relied upon for the granting of the writ.

I.

The entire disclosure of the patent in suit is directed to a large, open coil of a size approximating *one-half the width of a roadway*. Regardless of the language of the claims, the Court of Appeals erred in interpreting the patent to read upon a coil having a diameter of approximately $\frac{3}{4}$ ", approximately $6\frac{3}{4}$ " in length (Exh. E, R. 151).

The patent drawings contain 18 figures and in every instance where the coil is illustrated in connection with a roadway, it is of a width equal to substantially one-half the width of the road. On page 3, column 1, lines 71-74 it is stated that *the transverse legs extend half way across the road*. In line 3 of column 2 of page 3 it is stated that the distance between *the transverse legs varies from 5 to 12 feet*. In the sentence beginning in line 26 of the second column of page 3 it is stated that the transverse legs may extend *more than half way across the road*.*

In addition, the patentee specifically disclaimed coils of the type employed by the petitioner. On July 1, 1933, he filed an affidavit, sworn to August 31, 1928 (Exh. B, pp. 121-29). That affidavit (p. 127), discussing a coil

* By stipulation (R. 197) the documentary exhibits were not printed in the Court of Appeals but were certified as physical exhibits. They are being certified here as physical exhibits by the Clerk of the Court of Appeals. References in this petition are therefore to pages of the actual exhibits. Copies of the patent in suit, the Edison patent 470,923 and the Clark patent 541,719 are being filed as an appendix to this petition.

2½ x 1½ feet, stated:

“The failure of the system to operate with speeds of 30 miles an hour or higher is obviously due to the fact that the two legs of the coil which run crosswise of the road *were too close together for such high speeds.*”

It further stated (p. 128) that at a speed of 25 miles per hour the transverse legs of the coil *must be 5 feet apart* and at speeds up to 50 miles an hour, the cross running legs of the loop should be *10 to 15 feet apart*.

It is of course true that a patent may disclose an element of a certain size or character and not be limited to the disclosure. But here the respondent sets forth a method of operation alleged to differ from the method of operation of the devices of prior art patents operating on the same principle and the use of a large coil is an essential feature of such method. On the basis of such disclosure, and the disclaiming affidavit of respondent, there was substantial evidence in support of the trial judge's finding of non-infringement. When such evidence exists, it is not the duty of the Court of Appeals to consider the case de novo and decide whether it would reach the same conclusion that the trial judge reached. The only duty of the Court of Appeals is to determine whether or not substantial evidence exists to support the finding and if it does, the Court of Appeals should affirm.

In considering this question, the District Judge stated (R. 176):

“*The patent specifications taught only the use of a rectangular coil of large size and the various positions in which it could be placed—in, under, over or alongside the road. The distance between the legs of the rectangular coil seemed to be important to the applicant, for the reason that he got a direct*

E. M. F. induced in the transverse leg nearer the passing automobile and a reverse E. M. F. induced in the other parallel leg. His purpose seems to have been to get as little reverse E. M. F. in one of the legs as possible in comparison with the direct E.M.F. in the other, and not to have the reverse E. M. F. occur 'simultaneously with the direct E. M. F.'. Referring to the rectangular coil of Fig. 6 the specifications state: 'In practical tests I have obtained satisfactory results with coils of this type from 50 to 100 turns, and with a distance between the transverse *legs varying from 5 to 12 feet.*' This same problem of the direct and reverse E. M. F. induced in opposite legs of the rectangular coil or loop, is referred to in the description of Figs. 7, 15 and 16."*

Even if it is proper for an Appellate Court to review the evidence in detail and reach its own conclusion on the question of infringement, we submit that the Second Circuit Court of Appeals erred in this instance. The teaching of the patent is that the coil must be large enough to be straddled by the vehicle to distort that portion of the earth's field which passes through the coil. Regardless of the language of the claims, the disclosure of the patent, together with the asserted method of operation and the limitation by affidavit to coils larger than a 5 foot rectangle requires limitation of the claims to a large coil of the type shown in the patent.

The Court of Appeals disposed of this defense by resorting to the claim language read out of the context of the specification and by disregarding the respondent's disclaimer, the court stated:

"But two of the claims not in suit specifically speak of a 'coil in the form of a large loop area' while neither claims 7 nor 11 contains such restrictive language" (R. 204).

*(See also Findings 8, 28, 29, R. 188 and 191.)

Whether or not claims 7 and 11 contain restrictive language, the claims must be read in the light of the specification and when so read, properly embrace *only* the type of coil shown in the patent (*Hogg v. Emerson* 11 How. 587; *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U. S. 403; *Smith v. Snow*, 294 U. S. 1; *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U. S. 211).

II.

Having given the patent in suit an interpretation that covers the use of any coil, large or small, and the creation of an electric current in such coil by the mere passage of a vehicle, whether due to residual magnetism in the body of the car, to distortion of the earth's field, or to any other cause, the Court of Appeals failed to apply the accepted tests of invention when it stated:

"plaintiff has achieved a real invention, unanticipated and commercially successful, which satisfied the strictest standard employed by the Supreme Court" (R. 204).

Respondent presented a claim to the Patent Office during the prosecution of his application, which claim was of the scope that the court now gives to claims 7 and 11. This claim reads as follows (Exh. B. p. 14):

"12. A device for detecting the motion of highway traffic, comprising a coil of wire situated in proximity to the path of the traffic and having its terminals connected to an electrical apparatus adapted to respond to weak induced currents."

Upon rejection, this claim was cancelled and the present claims were presented, limited to operation of the device by distortion of the earth's field. The rejection of claim 12 on the prior art, as exemplified by the Edison patent and the Clark patent, was sound. The Edison patent discloses a railway signal in which a coil is placed be-

tween the rails and the coil connected by suitable wiring to a signal mounted on a pole beside the track. There is no source of current provided in the coil circuit. A current is induced in the coil by a magnet carried on the engine when the train passes over the coil.

The Clark patent is directed to a burglar alarm and discloses a coil connected to a signal and adapted to be actuated by the current induced in the coil when a burglar and his bag of iron tools passes over the coil.

To avoid these references, respondent presented claims of the type appearing in the patent. Claim 7, a dependent claim, must be read with claim 1:

"1. In combination with a roadway designed for automobile type traffic, an indicator; an electric circuit; a conductor in said circuit, said conductor being situated in proximity to the path of the traffic and in position to be traversed by the disturbance of the earth's magnetic field normally attending the passage of an automobile over the roadway with a resultant induction of an electromotive force in said circuit; and means responsive to said electromotive force to operate said indicator."

Claim 7 reads as follows:

"7. A combination as in claim 1, said circuit containing no sources of electrical energy."

The italicized portion of claim 1 is the portion added to overcome rejection in the Patent Office. That it was effective in obtaining the allowance of the claims is apparent from the language appearing in the decision of the Board of Appeals which reads as follows:

"The patent to Edison discloses a coil embedded between the rails of a railway track and connected through an electromagnet designed to operate a signal. For inducing a current in the coil, Edison proposed to subject its core, presumably a non-mag-

netic one, to the action of a magnet on a passing car so disposed as to pass in close proximity to the core" Exh. B, pp. 185-186).

The Board then proceeded to allow claims 51, 52 and 53 (claims 10, 11 and 12 of the patent in suit) but affirmed the rejection of claims 48 and 49 (Exh. B, p. 187). Claim 48 (Exh. B, p. 69) is also substantially of the scope now accorded claims 7 and 11 by the decision of the Court of Appeals. That claim reads as follows:

"A device for the automatic actuation of an electrical apparatus in response to the passage of a vehicle of the automobile type through a given zone or region comprising an electrical circuit adapted to transform transient changes in the magnetic field in said zone or region into corresponding transient electrical currents in said circuit, said circuit being in continuous readiness to respond to such transient changes in said magnetic field without continuous consumption of energy."

It is clear error to interpret the claims accepted by the patentee as of a scope equal to, or greater than, that of cancelled claims 12 and 48.

The reasoning of the Court of Appeals in reaching the conclusion that the claims are valid, is not clear. The opinion merely states that it agrees with the trial judge on validity. The Court presumably gave the italicized portion of the claim full force and effect in finding the claim valid, but then totally disregarded this portion of the claim to find it infringed. If the italicized portion of the claim is disregarded, every element thereof is found in the Edison patent. The only difference between the claim and the Clark patent is that Clark provides a source of current. That is not a patentable difference.

But the Court disregarded the italicized portion of the claim on the question of infringement and thus interpreted the claims to include Edison's device and Clark's device.

If it makes no difference how or why the device operates, then it does not differ from Edison or Clark. If respondent made any discovery it was that the residual magnetism in the body of an automobile would function in the place of the magnet of Edison, but that cannot be invention and that is not claimed. The District Court disposed of the Edison patent on that ground (R. 164) as did the Patent Office Board of Appeals, *supra*, p. 15. But the Courts had before them the evidence that petitioner's device operates due to residual magnetism in the body of the car *which the Patent Office did not have*. On the record as presented in this case, the presence of sufficient residual magnetism in the body of the car is the only discovery made by the respondent. The claims, however, are not directed to this discovery but, as interpreted, are of a scope equal to cancelled claim 12 (*supra*, p. 14).

While the respondent convinced the Patent Office of the patentability of his claims by asserting that the operation of the device differed from the operation of the prior art patents because it relies upon distortion of the earth's magnetic field, no attempt was made to establish that petitioner's device so operates. Knowing that he would have to admit that the residual magnetism of the body of the automobile causes the creation of a current in the coil, respondent's expert testified that the two phenomena operate together but freely admitted that residual magnetism is present in the body of a car and produces an electric current in the coil. On this question he stated (R. 28-29):

"The metal used in automobiles can be magnetized to a considerable extent compared with the material we are using in electrical machines. The motor, for instance, consists of cast steel, but cast iron is also used. That is, the metal is of relatively low grade with respect to permeability or magnetism. *Consequently the car represents a magnet or, perhaps, a group of structurally connected little and smaller magnets. Consequently there must be a field of force accompanying the automobile.*

I have illustrated this component of the magnetic distortion in Fig. 6 of Exhibit 9. The lines of force I have illustrated are arbitrary, because each car has its own field. The field is distorted and highly irregular. The car may have one pole at the front and one at the end, but there may be different poles, and the particular shape of this magnetic field is of no concern, because it is certain that the passage of such a field of any shape in the vicinity of the coil must effect a change of the magnetic field effective in the coil. Consequently this phenomenon also can produce an electric current in the coil."

The Court of Appeals having presumably concluded that the patent is valid because the claims refer to distortion of the earth's magnetic field, then had to ignore this limitation to conclude that the claims were infringed. It did so by relying upon the doctrine of *Diamond Rubber Co. v. Consolidated Tire Co.*, *supra*, and stated (R. 205):

"Defendant argues that the statement in the claim that the induction results from 'the disturbance of the earth's magnetic field normally attending the passage of an automobile' is not correct; that what actuates the coil is the 'residual magnetism' in the automobile. *But it is immaterial whether patentee correctly understands how his device operates; Diamond Rubber Co. v. Consolidated Tire Co.*, 220 U. S. 428, 435-436; *Proctor & Gamble Co. v. Berlin Mills Co.*, 256 F. 23, 28 (C. C. A. 2, reversed on other grounds in 254 U. S. 156)."

The doctrine of the *Diamond Tire* case, however, was never intended to mean that a limitation placed in a claim for the purpose of obtaining the allowance of the claim could be disavowed at a later date. Misinterpretation of this doctrine is a matter of general interest and should be considered by this Court. The *Diamond Tire* case has been cited with approval about as frequently as any case dealing with patents. It expresses a very salutary doctrine when properly applied. The misapplication of the rule to situa-

tions where it does not apply, as in the present case, tends to bring the doctrine into disrepute.

In the present case, there is not only the disavowal of the limitation to support the holding of infringement. There is also the necessity of relying upon it to escape invalidity.

If the error of the Court of Appeals in the application of this doctrine is corrected, we are presented with the simple question whether there is any invention in bodily transferring the device of Edison operated by a magnet on the train or the device of Clark operated by residual magnetism in the iron of the burglar's tool to automobile traffic, and operating it by the residual magnetism in the body of the car. It is a clear case of the new use of an old device, and the question was answered in the negative by this Court as recently as March 5, 1945 in the case of *Dow Chemical Co. v. Halliburton Oil Well Cementing Co.*

III.

The improbability of litigation involving the patent in suit in any other circuit and the improbability of conflict thus being created is another reason why this writ should be granted. While petitioner is a New Jersey corporation, it has a place of business in New York City (R. 2) and was sued in the Southern District of New York. Respondent's licensee is a Delaware corporation having a place of business at East Norwalk, Connecticut (R. 142), also in the Second Circuit. Even if the licensee should cancel its license, which is highly improbable as long as the present decision stands, it could be sued in the Second Circuit because of the location of its place of business. These two companies are the only manufacturers of vehicle actuated traffic signals.

This Court has granted petitions for certiorari on the ground that the validity of a patent is a matter of public interest and there was little likelihood of litigation of the

patent in another circuit. *Paramount Public Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464; *Altoona Public Theatres v. American Tri-Ergon Corp.*, 294 U. S. 477; *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47. The patent here in suit involves a question of public interest. The apparatus forming a part of a traffic signal is purchased by municipalities, counties and state highway commissions. It is paid for by taxes and if a royalty is paid, every member of a community which purchases one or more of the devices pays his proportionate share of the tribute. The reason for granting the writ in the cases cited above is therefore particularly applicable to the present case.

Conclusion

It is urged, therefore, that the petition for certiorari be granted.

Respectfully submitted,

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Attorney for Petitioner.

New York 17, N. Y.
March 12, 1945.

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